

December 14, 2012

To: Executive Board

Subject: **Contract Award – Transit Buses**

Recommendation

Authorize the Executive Director to negotiate final contract terms and conditions and award a contract to North American Bus Industries (NABI) for the purchase of thirty 42-foot low-floor CNG-fueled buses. The contract will include an option to purchase and under FTA statutes the options must be exercised within 5 years of contract execution. The base contract cost for the initial 30-bus order is \$16,602,546.35.

Analysis

The Federal Transit Administration (FTA) stipulates that buses purchased with federal funds must remain in service for 12 years or 500,000 miles, whichever comes first. Foothill Transit currently has nine buses that have reached that threshold and an additional 55 that will be eligible for retirement within the next two years. These 64 buses include the last of the diesel fueled buses in the Foothill Transit fleet, most of which have accumulated an average of 650,000 miles per bus. The 30 new NABI CNG buses will be replacements for the aging fleet of coaches. They will be a low-floor design, with a seating capacity for 38 passengers configurable for commuter or local service. Delivery of the base order of 30 buses is expected by December 2013.

Foothill Transit issued Request for Proposals (RFP) No. 12-040 on September 13, 2012 soliciting proposals from qualified firms to manufacture and deliver a minimum of thirty (30) CNG buses. The RFP was advertised in Transit Talent (a U.S. public transportation trade website), two local newspapers, and on the Foothill Transit website, and RFP packages were sent to all major transit bus manufacturers. A pre-proposal teleconference conference was held on September 20, 2012 where vendors were able to ask questions regarding the RFP. Six bus manufactures were represented in the pre-proposal teleconference.

On November 1, 2012, proposals were received in response to the RFP from NABI, Gillig LLC and New Flyer of America Inc. Each firm's Prequalification submittals were evaluated by a Prequalification Evaluation team comprised of one of Foothill Transit's management contract staff and Foothill Transit's Special Legal Counsel.

Subsequently, the technical evaluation committee, consisting of four of Foothill Transit's management contract staff, two representatives from First Transit's maintenance team and one outside representative, reviewed the technical proposal. Each technical proposal was evaluated based on the following criteria and weighting:

Technical Qualifications (100 points of Total Score)

- Bus Performance
- Bus Structure
- Advanced Design
- Technical Deviations
- Proposed Quality Assurance Program
- Maintainability
- Lifecycle Costs
- Safety Provisions

Proposers Qualifications (50 points of Total Score)

- Manufacturing Process
- Organizational Qualifications of the Proposer
- Proposer's facilities
- Past Performance
- Technical Support
- Project Management Plan

Cost proposal (30 points of Total Score) was scored as follows:

$$\text{Proposer's Price Score} = \frac{\text{Lowest Price}}{\text{Proposer's Price}} * 30 \text{ Points}$$

Delivery Schedule (20 points of Total Score)

Three interviews were conducted, allowing each proposer to clarify and expand on their written proposal and respond to questions from the evaluation team. Official invitations to submit Best and Final Offers were then sent to the proposers. After the evaluation committee reviewed and scored the Best and Final Offers, NABI's proposal was ranked highest with an overall score of 182.72 out of a possible 200 points. A summary of the final scores is provided below.

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Evaluation Factors	Maximum Score	Proposer Name		
		Gillig	NABI	New Flyer
1. Technical	100	84.50	92.00	88.00
2. Qualifications	50	44.67	45.25	45.67
3. Delivery Schedule	20	17.73	18.93	17.87
Total Technical Score		146.90	156.18	151.54
4. Proposed Price	30	28.55	26.54	30
Total Overall Score	200	175.45	182.72	181.54

There are currently 171 NABI coaches in the Foothill Transit revenue fleet and the buses have performed well since the NABI's were first introduced to Foothill Transit in 2005. NABI's proposal included the most responsive production timeline and the procurement of these coaches will allow seamless incorporation into the fleet in the area of spare parts inventory requirements. In addition, the coaches most recently procured from NABI have received very positive comments from our customers.

Current NABI customers include Dallas Area Rapid Transit, New Jersey Transit and Los Angeles Metropolitan Authority.

Budget Impact

The cost of 30 NABI 42-foot buses is \$16,602,546.35. This is based on a per-bus price of \$553,418.21, and includes delivery, manuals and training. State of California Use Tax in the amount of \$1,439,899.13 will be paid separately by Foothill Transit. Funding for these buses is included in Foothill Transit's approved Fiscal Year 2013 Budget.

Sincerely,


Rashid Barnes
Director of Procurement


Doran J. Barnes
Executive Director

December 14, 2012

To: Executive Board

Subject: **Additional Information Related to Contract Award for Transit Buses**

Foothill Transit seeks to deploy revenue vehicles that maximize passenger appeal, maximize passenger comfort, uphold the agency's exemplary brand image, mitigate congestion by encouraging customers to leave their cars at home, and are environmentally sensitive. These factors operationalize Foothill Transit's commitment to be the premiere public transit provider.

Foothill Transit evaluated all proposals with the above listed key criteria in mind and North American Bus Industries (NABI) received the highest technical ranking. Some of the factors contributing to this ranking include the:

- Modern styling of the coach
- Consistency of spare parts inventory from one manufacturer versus two manufacturers
- Ability to focus staff training on a single manufacturer's product
- Availability of a NABI support facility in Mira Loma
- Capability of NABI to produce the vehicle
- Overall engineering
- Improved production capability

NABI's highest ranked vehicle is larger and more elaborate than the other vehicles proposed. Also, it is highly distinctive, with no other vehicle like it in the US transit market. These vehicles would be identical to Foothill Transit's 1900 series coaches that were recently introduced into service, and have received strong support from our customers. The scoring confirms that NABI proposed the vehicle configuration which most closely aligns with Foothill Transit's technical requirements and thus delivers best value for the agency.

It is important to note that approximately 70 percent of components on-board the proposed vehicles are identical from one OEM to the next. As such, the differences that make up the remaining 30 percent become increasingly significant and technical.

Value-Add from NABI Product:

1. *Pedestrian Crossing Alert System* – NABI's bus incorporates a pedestrian crossing alert system where the low-beam headlamps project additional light when the bus turns. This technology enables the operator to better see objects on the road directly ahead by providing an additional 35 degrees of illuminated viewing angle up to a distance of 35 feet.
2. *Fire Suppression and Methane Detection* – The proposed NABI bus complies with Foothill Transit's specifications for the numbers of sensors that are part of the fire

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suppression and methane detection systems. The next highest ranked proposer did not meet this important safety requirement.

3. *Aggressive Delivery Schedule* – NABI is able to deliver 30 buses to Foothill Transit by November, 2013 – approximately 11 months from the date of contract award. The other two OEMs proposed to deliver 30 buses by February 2014.
4. *Greatest Passenger Seating* – The proposed NABI bus is able to accommodate two more seated passengers onboard than the other two proposals.
5. *More “Leg Room” for Passengers* – There is an average of 3 more inches of hip to knee room for passengers on the NABI bus than on the next highest ranked proposal.
6. *Comprehensive warranty package* – NABI met all of Foothill Transit’s warranty requirements, surpassing the other OEMs by offering an extra two years on the propulsion system warranty. This system includes the engine, transmission, and drive motor.
7. *Optimally-Cooled Destination Sign* – Foothill Transit requested that air be routed into the destination sign cavity to facilitate a proper operating temperature range for the sign; this required additional engineering. The next highest ranked proposer was not able to meet this specification.
8. *Reduced Training Need* – As 54% of Foothill Transit’s existing fleet was manufactured by NABI, current mechanics and operators will have immediate familiarity with many complex on-board components and the operating characteristics of the bus.
9. *Fleet compatibility* – The NABI bus will require the same maintenance and parts as the existing Foothill Transit fleet, thus eliminating the need to increase inventory.
10. *Customer Familiarity and Satisfaction* – Foothill Transit’s customers are intimately familiar with our existing NABI product and have expressed resounding approval of the buses currently in the fleet.

Additional benefits of NABI Product:

1. Increased domestic content, supporting the US job market and economy
2. Greatest front aisle width, allowing greater maneuverability for passengers with disabilities
3. Established relationship with Foothill Transit including responsiveness, open communication, and product support
4. 15+ year history in the alternative fuels market with 10+ years in CNG
5. Fewest deviations from Foothill Transit specifications, including aesthetic requirements such as single windshield and windshield wiper parking
6. ISO 9001 certified Quality Assurance Program
7. Local service centers for major components and NABI product service center in Mira Loma, CA

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Below is a summary of the pricing from each of the manufacturers that submitted proposals to provide transit buses to Foothill Transit:

		NABI	Gillig	New Flyer
	Per Bus	\$553,418.21	\$512,294.97	\$487,534.05
	30 Buses	\$16,602,546.30	\$15,368,849.10	\$14,626,021.50
Assuming 2% PPI/year	150 Buses over 5 Years	\$86,400,317.70	\$79,980,107.93	\$76,114,403.27
Assuming 0% PPI/year	150 Buses over 5 Years	\$83,012,731.50	\$76,844,245.50	\$73,130,107.50
	Price Score	26.54	28.55	30

Please note that for options exercised, the cost per vehicle is based on the producer price index (PPI). The PPI is similar to the consumer price index but uses a different group of elements that more closely reflect manufacturing costs.

Factors Effecting Cost Differential:

1. *Economies of Scale* –New Flyer, unlike NABI and Gillig, has the production capacity to build 1,800 buses in a given year. By comparison, Gillig builds 1,300 and NABI builds 600 annually. As such, the base bus cost (output) falls as production quantities increase.
2. *Preferred Pricing* – Due to its large production volumes, New Flyer is able to enter into a “preferred pricing agreement” with many sub-component manufactures, thereby lowering the total cost of the vehicle.
3. *In-house materials utilization* – New Flyer is able to control costs by building many sub-components “in house,” where other OEMs purchase these components from other suppliers. This enables New Flyer to save on quality control, third party markups, and re-engineering costs. In turn, New Flyer is able to pass these savings on to the procuring entity.

Examples of components New Flyer manufactures include:

- Major wiring
- Electronics – multiplexing systems
- LED interior lights
- Seating stanchions

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- Seating
- Wheelchair ramps
- Flexible fuel and air lines

Sincerely,



Lauren Cochran Festner
Director of Maintenance and Vehicle Technology



Doran J. Barnes
Executive Director

Proposed Bus Images:

Gillig



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New Flyer



NABI

